

## Message Text

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PAGE 01 LIBREV 00150 051803Z

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ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ISO-00 AID-20 CIAE-00 INR-10

NSAE-00 RSC-01 OPIC-12 DOTE-00 XMB-07 TRSE-00 DRC-01

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R 051500Z FEB 74

FM AMEMBASSY LIBREVILLE

TO SECSTATE WASHDC 5180

INFO AMEMBASSY PARIS

USDOC WASHDC

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E.O. 11652: N/A

TAGS: ETRN, BEXP, GB

SUBJ: TRANSGABON RAILROAD: POSSIBLE MORRISON-KNUDSEN CONTRACT

USDOC FOR STEPHEN CONGER

1. IN CONVERSATION FEBRUARY 4 WITH DIRECTOR OF ASSOCIATION OF FRENCH MECHANICAL INDUSTRIES (CHAUVET), WHOSE JOB IS TO PUSH FRENCH INDUSTRIAL INTERESTS IN GABON (AND SEVERAL NEIGHBORING COUNTRIES), CHAUVET SAID HE WISHED TO ASK ME "PROFESSIONAL QUESTION." HE WENT ON TO SAY THAT FRENCH FIRM HAD MADE OFFER TO PRESIDENT BONGO FOR CONSTRUCTION OF SECOND STAGE TRANSGABON RAILROAD (BOOUE-FRANCEVILLE) ALONG WITH FIFTEEN-YEAR FINANCING PACKAGE. CHAUVET SAID THAT BONGO HAD BRUSHED IT ASIDE WITH COMMENT AMERICANS HAD MADE HIM MORE ATTRACTIVE OFFER WITH TWENTY-FIVE YEAR TERMS. CHAUVET ASKED ME IF THIS TRUE. IN VIEW MY LONG ACQUAINTANCE WITH CHAUVET AND FACT TRUTH WOULD INEVITABLY COME OUT SHORTLY, I FELT I HAD TO HEDGE MY REPLY TO PROTECT M-K INTERESTS WHILE NOT DEVIATING TOO FAR FROM FACTS. I REPLIED THAT AN AMERICAN FIRM (WHICH CHAUVET IMMEDIATELY IDENTIFIED AS MORRISON-KNUDSEN) HAD INDEED BEEN NEGOTIATING WITH GOG AND HAD HAD RECENT

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PAGE 02 LIBREV 00150 051803Z

CONTACTS WITH FONMIN IN PARIS, BUT THAT I WAS HONESTLY

NOT AWARE OF ANY FINAL FINANCING AGREEMENT. CHAUVET REMARKED THAT THIS WAS CLEARLY EXAMPLE OF BONGO'S TACTIC OF MISSTATING FACTS TO SUIT HIS PURPOSE WHEN HE HAD MADE UP HIS MIND ON A COURSE OF ACTION. CHAUVET THEN ADDED, SOMEWHAT BITTERLY, THAT HE DID NOT SEE WHY GABONESE WORRYING ABOUT FINANCING TERMS ANYWAY INASMUCH AS THEIR VASTLY INCREASED RESOURCES FROM OIL WOULD ENABLE THEM TO FINANCE SECOND STAGE OF RR ON THEIR OWN IF THEY SO CHOSE.

2. COMMENT: IN LIGHT OF LONG AND CLOSE RELATIONS WITH CHAUVET I DO NOT BELIEVE THAT HE WAS LENDING HIMSELF TO ANY DEVIOUS GOG SCHEME TO PUT PRESSURE ON M-K BUT THAT HE WAS HONESTLY SEEKING INFORMATION IN INTEREST OF HIS FRENCH CLIENT. IT WOULD SEEM CLEAR, THEREFORE, THAT (A) BONGO GENUINELY DESIRES (FOR POLITICAL STRATEGIC REASONS) TO GIVE CONTRACT TO U.S. FIRM OF M-K PROVIDED THEY COME THROUGH WITH ATTRACTIVE OFFER IN NEAR FUTURE; (B) THERE IS FRENCH FIRM WAITING IN WINGS WITH ATTRACTIVE OFFER OF ITS OWN; AND (C) BONGO DESPITE HIS PREFERENCE FOR M-K WILL PROBABLY FEEL OBLIGED TO TURN TO FRENCH FIRM UNLESS M-K CAN PRESENT APPEALING PACKAGE WITHIN VERY NEAR FUTURE.

3. ACTION REQUESTED: SUGGEST ABOVE BE PASSED FOR INFO TO M-K IN PARIS AND U.S.

4. DECLASSIFY ON RECEIPT.  
MCKESSON

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**TAGS:** ETRN, BEXP, GB, TRANSGABON RAILROAD, MORRISON-KNUDSEN  
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